

MOBILE HOME PARKS

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The pricing schedule included in this section is provided as a guide to assist the appraiser in arriving at a reasonable and equitable estimate of the cost of developing a variety of commercial mobile home and trailer parks. Typical site-costs are given for five Grades of parks; the general specifications are as follows:

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| A Grade | Excellent quality and excellently planned mobile home parks designed to accommodate the largest tractor-drawn or on-site erected mobile homes, and to provide the user with the utmost in residential amenities, including spacious lots with extensive and attractive landscaping, ample off-street parking, and a wide variety of recreational facilities. Site areas will generally range from 4,500 to 5,500 sq. ft. |
| B Grade | Good quality and well planned mobile home parks designed to accommodate the larger tractor-drawn mobile homes with room to spare for lawns and gardens, and featuring attractive landscaping, off-street parking, and complete recreational facilities. Site areas will generally range from 3,500 to 4,500 sq. ft. |
| C Grade | Average quality and well planned mobile home parks designed to accommodate mobile homes up to 55' to 60' long, and to provide the user with adequate utility services and facilities, but rather limited recreational facilities and other such amenities. Site areas will generally range from 2,500 to 3,500 sq. ft. |
| D Grade | Fair quality and minimally planned trailer parks intended primarily for semi-permanent occupancy, built to accommodate car-drawn trailers up to 40' to 45' long, and offering only minimal utility and recreational facilities. Site areas will generally range from 1,750 to 2,500 sq. ft. |
| E Grade | Cheap quality trailer parks designed to accommodate transient type trailers, and to provide the user with the minimum required facilities. Site areas will generally range from 1,000 to 1,750 sq. ft. |

Application of the pricing schedule involves determining the Grade, which is the most representative of the subject property, selecting the corresponding base site-cost, and adjusting the base site-cost to account for any variations between the subject property and the model specifications.

BASE COST COMPONENTS

The costs per site have been developed to include the cost of normal basic on-site improvements and do not include the cost of the land, service and recreational buildings, or major recreational structures, such as swimming pools. The base components are as follows:

Engineering. . . includes the design plans and specifications of the park (exclusive of buildings), engineering and surveying fees, and public fees and permits.

Grading. . . includes the normal grading involved in leveling the site for drainage and roughing out roads, but does not include any abnormal site preparation, such as the excavation and terracing required for hill-side sites.

Street Paving. . . includes base preparation and paving.

Patios and Walks. . . includes all flat work other than street paving.

Sewer. . . includes all on-site lines, but does not include hook up charges, sewage disposal systems, or any off-site connections to trunk lines.

Water. . . includes on-site mains and site services, but does not include wells, pumps, or any off-site connections to source lines.

Electrical. . . includes on-site conduit, electrical and telephone wiring, site outlets, and street and common area lighting commensurate with the Grade, but does not include the cost of any off-site connections.

Gas. . . includes on-site piping, and site and building connections, but does not include any off-site mains.

Other Features. . . include the cost of average entrance ornamentation, landscaping, and common area development commensurate with the park Grade. (Note: Outdoor recreational facilities, such as swimming pools, tennis courts, etc. are not included and should be computed separately.)

BASE COST ADJUSTMENTS

Many mobile homes and trailer parks are apt to possess some features which are typical of one Grade and some features which are typical of another. For example, an A Grade park may exhibit B Grade "other features" such as entrance decor, landscaping, and recreational facilities; or similarly, a park may be C Grade in all respects except for good quality streets. In such cases, the appraiser must analyze each park in terms of its individual component" in order to

determine the contribution of each component to the overall cost per site. In order to facilitate this, the specifications and corresponding costs for each component are detailed, thus enabling the appraiser to adjust the base cost either upward or downward to account for any significant variations.

PERCENT (%) GOOD GUIDELINES

Mobile home parks generally can be expected to have a life expectancy of from 10 to 30 years, depending on the quality of the park. The components of a mobile home park, as described above, are subject to the same depreciating forces as are any other real estate improvements. Physical deterioration itself is difficult to observe, but is generally directly related to the functional and economic depreciation of the park. In a going and profitable park, the actual rate of physical deterioration is arrested somewhat by regular and normal maintenance. A park that is normally maintained will have components replaced or renewed as they age. As a park goes out of style functionally and economically, maintenance becomes more and more of a cost burden to the owner and is consequently reduced or curtailed completely, allowing the process of deterioration to accelerate.

A percent good guideline table, based upon these factors relative to the effective age of the park, is included in this section. The effective age of the park may or may not be the same as the actual age (or average age if built in several phases) of the park. Generally, if a park is judged to be in average condition for its age, the effective age will be the same as the actual age. If a park is judged to be in poor condition or good condition for its age, the effective age will be somewhat more or somewhat less than the actual age. Similarly, parks judged very poor to unsound or very good to excellent will have effective ages considerably more to considerably less than their actual ages.

The table is provided only as a guide to assist the appraiser in arriving at a reasonable estimate of normal accrued depreciation; due consideration must also be given to any abnormal factors causing further loss of value.

MOBILE HOME PARKS APPLICATION FOR PRICING SCHEDULE

Site sizes and construction components may or may not be uniform throughout the park. Various portions of the park may have been developed in different years, and designed to accommodate different types of mobile home units. In such cases, it may be necessary to sectionalize the park and to price each section as a separate unit. The procedure listed below would be equally applicable to an entire park or any section thereof.

1. Identify the park (or section thereof) by name, and record the following data on the property record card:
 - Entire “improved” land area. Do not include unimproved areas held in reserve for future expansion (Make an additional note on reserve land area if any).
 - Total number of spaces.
 - Year of completion. (If developed in phases, describe the number of spaces completed each year).
 - Compute the average site size by dividing the total improved land area by the number of sites. If individual sites vary significantly in size, make a note of this and if possible, estimate the range of site sizes within the computed average site size.
 - Width and composition of streets, extent of patios and walks, utilities available to sites.
2. Analyze the various construction components of the subject property, giving special consideration to: the extent of planning, whether or not abnormal grading was required, the extent and quality of the streets, curbing, patios and walks, the quality of utility installation: minimum or good code, the use of private sewage treatment facilities, the source of water, public or private, the electrical service to each site, availability of hydrants and gas at each site, whether electrical conduits and other transmission lines were installed above or below ground, the extent and quality of entrance décor, landscaping, and recreational facilities, and any other characteristics essential to establishing the proper grade level of the park.
3. Determine the quality Grade of the park by comparing its components, as analyzed above, with the given specifications for each Grade and select the corresponding base cost per site.
4. Note (on the property record card, along with the data recorded in Step No. 1) any significant variations between the construction components of the subject property and the base specifications for the selected Grade.

5. Adjust the base cost to account for significant variations between the construction components of the subject property and the base specifications for the selected Grade, as considered in Step No. 4.
6. Multiply the average replacement cost per site, as derived in Step No. 5, by the total number of sites, to arrive at the total replacement cost.
7. Determine the effective age based on the condition, desirability and usefulness of the park relative to its actual (or average) age. Determine the proper percent good allowance based on the effective age, and apply it to the total replacement cost derived in Step No. 6 to arrive at the depreciated value of the park.
8. Sketch, list, and compute, by using the appropriate pricing schedule, the replacement cost and depreciated value of other improvements not included in the base site costs. This will include all permanent buildings and recreational facilities, such as swimming pools, tennis courts, etc.

MOBILE HOME PARKS

The average quality mobile home park is designed to provide the user with adequate utility services and facilities. Recreational amenities are limited or nonexistent with streets and landscaping of minimal planning and construction.

Normal on site improvements include; low cost concrete or asphalt pads and walks, and enough grading to allow adequate site preparation, drainage, and leveling, minimal on site electrical service, on site well and septic service, on site public or private water and sewer systems.

The value attributed to land, and the cost of any supportive structures, are not included in the base cost site.

Any variation in overall quality from average should be reflected by the appropriate quality grade adjustment.

REPLACEMENT COST PER SITE

“A” GRADE	\$4650
“B” GRADE	\$3750
“C” GRADE	\$3000
“D” GRADE	\$2550
“E” GRADE	\$1650

For Rural Mobile Homes Sites use “C” GRADE.

MANUFACTURED HOUSING

While many site-built homes are constructed according to a specific building code to ensure proper design and safety, all manufactured homes are constructed in accordance with the Federal Manufactured Home Construction and Safety Standards, in effect since June 15, 1976. This building code, administered by the United States Department of Housing and Urban Development (HUD) and known as the HUD Code, regulates manufactured home design and construction, strength and durability, fire resistance, and energy efficiency. In the early 1990s, this building code was revised to enhance energy efficiency and ventilation standards and to improve the wind resistance of manufactured homes in areas prone to winds of hurricane force.

Every manufactured home has red and silver label certifying that it was built and inspected in compliance with the HUD Code. No manufactured home may be shipped from the factory unless it complies with the HUD Code and receives the certification label from an independent, third-party inspection agency.

MANUFACTURED HOME CLASSIFICATION STANDARDS

We must classify all manufactured housing as either “real property” or “personal property”. G.S. 105-273(13) now states that the following requirements must be met for any manufactured unit, single section or multi-section, to be considered **“real property”**:

1. It must be a residential unit.
2. It must have the moving hitch, wheels and axles removed.
3. It must be placed on a permanent foundation.
4. It must be located on land owned by the owner of the unit.

If a unit **does not** meet **all** of these requirements then the unit must be classified as **“personal property”** and will be listed and appraised accordingly.

Note: Any manufactured unit being used as a business unit, by definition would be assessed as “personal property”.

Any single-section home having additions or attachments that would hamper its mobility or cause structural damage if removed and meets the previously mentioned ownership requirement will be considered real property. If the axle assembly requirement can not be determined by the appraiser, he or she should consider it removed.

Ownership of both land and home will be the assumption when other guidelines are indeterminable and no clear decision is possible.

If the single-section manufactured home is considered a *personal* item, it will be noted within the miscellaneous items section of the property record card.

All Manufactured Housing will be valued in accordance with the schedule of values.

Manufactured Housing Data Summary for North Carolina

Category	Year	Single-Section	Multi-Section	Total
Manufactured Home Production	2001	2150	11704	13854
Manufactured Home Shipments	2001	2602	11047	13649
Average Selling Price	2001	\$22,015	\$64,843	N/A
Average Sq. Ft. Living Area	2001	837	1638	N/A
Average Cost Per Sq. Ft	2001	26.3	39.6	N/A
Rental Community Placement	2001	35%	5%	N/A
Private Land Placement	2001	61%	70%	N/A
Subdivision Placement	2001	4%	25%	N/A
Average Age - Head of Household	2001	45	39	N/A
Average Combined Annual Income	2001	\$41,633	\$44,881	N/A
Average Monthly Loan Payment	2001	\$269	\$628	N/A
Typical Years Financed	2001	20	30	N/A

Note: The summary above was derived from information obtained through the following sources.

North Carolina Manufactured Housing Institute

Manufactured Housing Institute - MHI

United States Commerce Department - Census Bureau

Variations among data listed within this section are attributed to differences of reporting periods. All data are believed to be accurate and representative of the information typically reported by the agencies and organizations listed above.

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